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District Counsel for Tulare Local Healthcare District

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry Street
Tulare, CA 93274

CASE NO. 17-13797

DC No.: WW-46

Chapter 9

Date: N/A
Time: N/A
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

EXHIBITS TO STIPULATION FOR ASSUMPTION OF UNEXPIRED
NONRESIDENTIAL REAL PROPERTY LEASES (HEISKELL RANCHES, LP)

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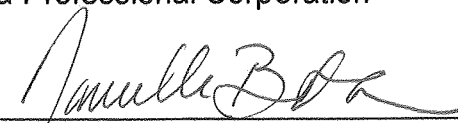
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No.	Description	Pages
A	Family X-Ray Center Lease	8
B	Mineral Kings Toxicology Lease	9

Dated: September 10, 2018

WALTER WILHELM LAW GROUP,
a Professional Corporation

By: 
Danielle J. Bethel
Attorneys for Debtor Tulare Local Healthcare
District, dba Tulare Regional Medical Center

COMMERCIAL LEASE

This agreement is entered into effective March 1, 2011, between HEISKELL RANCHES, LP (Heiskell), as lessor, and Tulare Local Healthcare District d/b/a Tulare Regional Medical Center (TRMC), as lessee.

THIS AGREEMENT IS ENTERED INTO WITH RESPECT TO THE FOLLOWING FACTS:

1. Heiskell owns certain real property (*the premises*) commonly described as 880 E. Merritt, Suites 105 & 106, Tulare, California.
2. TRMC desires to lease the premises from Heiskell on the terms and conditions set forth herein.
3. Heiskell desires to lease the premises to TRMC on the terms and conditions set forth herein.

IT IS THEREFORE AGREED AS FOLLOWS:

4. **Term of Lease.** This lease shall be for a term of one (1) year, commencing March 1, 2011, and ending on February 29, 2012, unless sooner terminated as provided herein. TRMC is hereby given the option to renew this lease for two (2) additional one (1) year periods at a rental rate of \$2,800 for the first year of this extended term and \$2,850 for the second year of the extended term. To exercise these options TRMC must be in compliance with the terms of the lease and provide Heiskell with a written notice of its intent to renew within (30) days of the lease expiration.

5. **Rental.** During the term of this lease, TRMC agrees to pay to Heiskell for the use and occupancy of the premises the monthly sum of \$2,750. All payments are due on the first day of each month, and will be considered paid when actually received by Heiskell at the address set forth in paragraph 17 of this agreement. If, during the term of this lease, TRMC is more than fifteen days late in making one of the rental payments described herein, TRMC will pay to Heiskell, in addition to the rent due, a late payment of \$35.00.

6. **Waste or Nuisance.** TRMC shall not commit or permit the commission by others of any waste on the premises. Additionally, TRMC shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in the California Civil Code on the premises, and TRMC shall not use or permit the use of the premises for any unlawful purpose.

7. **Utilities.** TRMC shall pay, and hold Heiskell and the property of Heiskell free and harmless from, all charges for the furnishing of gas, electricity, telephone service, water, sewer service and other public utilities to the premises during the term of this lease.

8. **Repairs, Governmental Regulations, Waste and Advertising.**

TRMC shall, during the term of this lease and any extension thereof, at TRMC's cost and expense:

(a) Keep and maintain the interior of the leased premises, including all interior doors, all glass, plumbing, and interior electrical systems, in good and neat order and repair, and shall allow no nuisance to exist therein, waiving all rights to make repairs at the expense of Heiskell.

(b) Keep and maintain the heating and cooling system.

(c) Comply and abide by all federal, state, county, municipal and other statutes, ordinances, laws and regulations affecting the leased premises, the improvement thereon, or any activity or condition on or in said premises.

Heiskell shall, at Heiskell's expense, make all exterior and structural repairs to said premises.

TRMC shall not commit or permit any waste upon the leased premises. TRMC shall place no new signs, advertising, or lettering upon the roofs, walls, windows, or exterior doors of said premises without prior written consent of Heiskell. Heiskell's consent shall not be unreasonably held.

9. Alterations and Liens. TRMC shall not make or permit any other person to make any alterations to the premises or any improvements located thereon without first obtaining the written consent of Heiskell. TRMC shall keep the premises free and clear from any and all liens, claims and demands for work performed, materials furnished, or operations conducted on the premises at the request of TRMC.

10. Inspection by Heiskell. TRMC shall permit the representatives of Heiskell to enter the premises at reasonable times for the purpose of inspecting the premises and doing other lawful acts that may be necessary to protect Heiskell's interest in the premises or to perform its duties under this lease.

11. Surrender of Premises. On expiration or sooner termination of this lease, TRMC shall promptly surrender and deliver the premises to Heiskell in as good condition as they are at the date of this lease, reasonable wear and tear excepted.

12. Assignment and Sub-Leasing. TRMC shall not encumber, assign or otherwise transfer this lease or any interest in this lease without first obtaining the written consent of Heiskell.

13. Default by TRMC. TRMC's breach of any condition, covenant, or provision of this lease shall constitute a material breach. For any material breach, Heiskell may provide TRMC with a fifteen (15) day notice that describes the breach and demands that TLHS cure the default (if a cure is possible). If TRMC does not cure the default within forty-five (45) days, or if a cure is not possible, this lease will be terminated. Heiskell may thereafter reenter and regain possession of the premises in the manner provided by the laws of unlawful detainer of the State of California then in effect. The above provision shall not apply to rental payment defaults, which shall be handled in accordance with CC 791 and CCP 1161.1 et seq.

14. Cumulative Remedies. The remedies given to Heiskell in this lease shall not be exclusive but shall be in addition to all remedies now or hereafter allowed by law.

15. Waiver of Breach. The waiver by Heiskell of any breach by TRMC of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by TRMC either of the same or another provision of this lease.

16. Attorney's Fees. Should any litigation be commenced between the parties to this agreement concerning the premises, this agreement, or the rights and duties of either in relation to this agreement, the prevailing party in such litigation shall be entitled, in addition to any other relief to which it may be entitled, to a reasonable sum as and for its attorney's fees in such litigation.

17. Notices. Any and all notices (including three day notices to pay rent or quit) or other communications required or permitted by this lease to be served on either party hereto, shall be in writing and shall be deemed duly served when personally delivered to an authorized representative of the party to whom the notice is directed, or in lieu of such personal service when deposited in the United States mail, registered or certified mail, postage prepaid, addressed as follows:

Heiskell: Heiskell Ranches :
 P.O. Box 1379
 Tulare, California 93275
 Attn: Scot Hillman

TRMC: Tulare Local Health Care District
 dba Tulare Regional Medical Center
 Director, Family X-Ray Center
 869 Cherry Street
 Tulare, California 93274

Either party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner provided herein.

18. Binding on Successors. This lease shall be binding on and shall inure to the benefit of the heirs, personal representatives, successors and/or assign of the parties hereto, but nothing in this section shall be construed as a consent by Heiskell to any assignment of this lease.

19. Partial Invalidity. Should any provision of this lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect.

20. Sole and Only Agreement. This instrument constitutes the sole and only agreement between Heiskell and TRMC respecting the premises and correctly sets forth

the obligations of Heiskell and TRMC to each other as of this date. Any agreement or representations respecting the premises or their leasing by Heiskell to TRMC not expressly set forth in this instrument are null and void.

21. Time of Essence. Time is expressly declared to be the essence of this lease.

22. Hazardous Materials. TRMC shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, TRMC is permitted to make use of such materials that are required to be used in the normal course of TRMC's medical imaging and health care operations provided that TRMC complies with all applicable Laws related to the hazardous materials. TRMC is responsible for cost of removal and remediation, or any clean-up of any contamination caused by TRMC.

23. Insurance. TRMC's personal property, fixtures, equipment, inventory and vehicles are not insured by Heiskell against loss of damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. TRMC is to carry TRMC's own property insurance to protect TRMC from any such loss. In addition, TRMC shall carry liability insurance in an amount of not less than \$1,000,000.00. TRMC's liability insurance shall name Heiskell as additional insured. TRMC, upon Heiskell's request, shall provide Heiskell with a certificate of insurance establishing TRMC's compliance. Heiskell shall maintain liability insurance insuring Heiskell, but not TRMC, in an amount of at least \$1,000,000.00, plus property insurance in an amount sufficient to cover the replacement cost of the property. TRMC is advised to carry business interruption insurance in an

amount at least sufficient to cover TRMC's complete rental obligation to Heiskell. Both Heiskell and TRMC release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

24. Indemnification. TRMC shall indemnify, defend and hold Heiskell Harmless from all claims, disputes, litigation, judgments and attorney fees arising out of TRMC's use of the Premises.

25. Waiver. The waiver of any breach shall not be constructed as a continuing waiver of the same breach of a waiver of any subsequent breach.

26. Property Taxes. Heiskell shall pay all property taxes and assessments levied upon or against the leased premises during the term hereof by the City of Tulare and the County of Tulare, including all taxes and assessments levied by school districts and other special districts appearing on the tax statements of the County of Tulare. TRMC shall timely pay all taxes and assessments on personal property belonging to TRMC located on the premises.



HEISKELL RANCHES, LP
By: Scot T. Hillman, General Partner

Tulare Local Health Care District
dba Tulare Regional Medical Center



By: Shawn Bolouki, CEO

THIRD EXTENSION OF LEASE

The undersigned Tulare Local Healthcare District, hereinafter referred to as ("Lessee") and Heiskell Ranches L.P., hereinafter referred to as ("Lessor"), hereby agree to extend the term of the March 1, 2011, Commercial Lease, hereinafter referred to as ("Lease"), as extended by the Extension of Lease, hereinafter referred to as ("Extension") and the Second Extension of Lease, hereinafter referred to as ("Second Extension"). The leased premises under the Lease, Extension, and Second Extension was and shall continue to be the premises located at 880 E. Merritt, Suites 105 and 106, Tulare, California. A copy of the Lease, Extension, and Second Extension are attached hereto as Exhibit "1".

That Lease, Extension, and Second Extension shall continue in full force and effect with the following modifications:

1. **Term:** The extended Lease term shall commence March 1, 2017 and terminate February 28, 2019.
2. **Rent:** Commencing March 1, 2017, the minimum rent under this Lease, as extended, shall be the sum of \$3,024.44, per month, and continue until March 1, 2018, when the minimum rent shall be increased to \$3,084.93, per month.
3. **Terms and Conditions of Lease:** Except as stated above, all the terms and conditions of the Lease, Extension, and Second Extension shall continue to remain in full force and effect and shall be binding on both Lessor and Lessee.

LESSOR:

Dated: _____

SCOT HILLMAN, General Partner,
Heiskell Ranches L.P.

LESSEE:Dated: 2/9/17 _____

Alan Germany
ALAN GERMANY, CFO,
Tulare Local Healthcare District

COMMERCIAL LEASE

This agreement is entered into effective March 1, 2011, between HEISKELL RANCHES, LP (Helskell), as lessor, and Tulare Local Health Care District d/b/a Tulare Regional Medical Center (TRMC), as lessee.

THIS AGREEMENT IS ENTERED INTO WITH RESPECT TO THE FOLLOWING FACTS:

1. Helskell owns certain real property (*the premises*) commonly described as 880 E. Merritt, Suites 107, 108 & 109, Tulare, California.
2. TRMC desires to lease the premises from Helskell on the terms and conditions set forth herein.
3. Helskell desires to lease the premises to TRMC on the terms and conditions set forth herein.

IT IS THEREFORE AGREED AS FOLLOWS:

4. **Term of Lease.** This lease shall be for a term of one (1) year, commencing March 1, 2011, and ending on February 29, 2012, unless sooner terminated as provided herein. TRMC shall have the option to renew this lease for two (2) additional one-year periods for a monthly rent of \$4,500 per month during the first such renewal option period and \$4,550 for the second such option period. To exercise these options TRMC must be in compliance with the terms of the lease and provide Helskell with a written notice of its intent to renew within (30) days of the lease expiration.

5. **Rental.** During the first year of the term of this lease, TRMC agrees to pay to Helskell for the use and occupancy of the premises the monthly sum of \$4,400. All payments are due on the first day of each month, and will be considered paid when actually received by Helskell at the address set forth in paragraph 17 of this agreement. If, during the term of this lease, TRMC is more than fifteen days late in making one of the rental payments described herein, TRMC will pay to Helskell, in addition to the rent due, a late payment of \$35.00.

6. **Waste or Nuisance.** TRMC shall not commit or permit the commission by others of any waste on the premises. Additionally, TRMC shall not maintain, commit, or permit the maintenance or commission of any nuisance as defined in the California Civil Code on the premises, and TRMC shall not use or permit the use of the premises for any unlawful purpose.

7. **Utilities.** TRMC shall pay, and hold Helskell and the property of Helskell free and harmless from, all charges for the furnishing of gas, electricity, telephone service, water, sewer service and other public utilities to the premises during the term of this lease.

8. **Repairs, Governmental Regulations, Waste and Advertising.**

TRMC shall, during the term of this lease and any extension thereof, at TRMC's cost and expense:

(a) Keep and maintain the interior of the leased premises, including all interior doors, all glass, plumbing, and interior electrical systems, in good and neat order and repair, and shall allow no nuisance to exist therein, waiving all rights to make repairs at the expense of Helskell.

(b) Keep and maintain the heating and cooling system.

(c) Comply and abide by all federal, state, county, municipal and other statutes, ordinances, laws and regulations affecting the leased premises, the improvement thereon, or any activity or condition on or in said premises.

Helskell shall, at Helskell's expense, make all exterior and structural repairs to said premises.

TRMC shall not commit or permit any waste upon the leased premises. TRMC shall place no new signs, advertising, or lettering upon the roofs, walls, windows, or exterior doors of said premises without prior written consent of Helskell. Helskell's consent shall not be unreasonably held.

9. **Alterations and Liens.** TRMC shall not make or permit any other person to make any alterations to the premises or any improvements located thereon without first obtaining the written consent of Helskell. TRMC shall keep the premises free and clear from any and all liens, claims and demands for work performed, materials furnished, or operations conducted on the premises at the request of TRMC.

10. **Inspection by Helskell.** TRMC shall permit the representatives of Helskell to enter the premises at reasonable times for the purpose of inspecting the premises and doing other lawful acts that may be necessary to protect Helskell's interest in the premises or to perform its duties under this lease.

11. **Surrender of Premises.** On expiration or sooner termination of this lease, TRMC shall promptly surrender and deliver the premises to Helskell in as good condition as they are, at the date of this lease, reasonable wear and tear excepted.

12. **Assignment and Sub-Leasing.** TRMC shall not encumber, assign or otherwise transfer this lease or any interest in this lease without first obtaining the written consent of Helskell.

13. **Default by TRMC.** TRMC's breach of any condition, covenant, or provision of this lease shall constitute a material breach. For any material breach, Helskell may provide TRMC with a three day notice that describes the breach and demands that TRMC cure the default (if a cure is possible). If TRMC does not cure the default within three days, or if a cure is not possible, this lease will be terminated. Helskell may thereafter reenter and regain possession of the premises in the manner provided by the laws of unlawful detainer of the State of California then in effect.

14. **Cumulative Remedies.** The remedies given to Helskell in this lease shall not be exclusive but shall be in addition to all remedies now or hereafter allowed by law.

15. **Waiver of Breach.** The waiver by Helskell of any breach by TRMC of any of the provisions of this lease shall not constitute a continuing waiver or a waiver of any subsequent breach by TRMC either of the same or another provision of this lease.

16. **Attorney's Fees.** Should any litigation be commenced between the parties to this agreement concerning the premises, this agreement, or the rights and duties of either in relation to this agreement, the prevailing party in such litigation shall be entitled, in addition to any other relief to which it may be entitled, to a reasonable sum as and for its attorney's fees in such litigation.

17. **Notices.** Any and all notices (including three day notices to pay rent or quit) or other communications required or permitted by this lease to be served on either party hereto, shall be in writing and shall be deemed duly served when personally delivered to

an authorized representative of the party to whom the notice is directed, or in lieu of such personal service when deposited in the United States mail, registered or certified mail, postage prepaid, addressed as follows:

Heiskell: Heiskell Ranches
P.O. Box 1379
Tulare, California 93275
Attn: Scot Hillman

TRMC: Tulare Local Health Care District
dba Tulare Regional Medical Center
Director, Mineral King Laboratory
869 Cherry Street
Tulare, California 93274

Either party may change its address for the purpose of this section by giving written notice of such change to the other party in the manner provided herein.

18. **Binding on Successors.** This lease shall be binding on and shall inure to the benefit of the heirs, personal representatives, successors and/or assign of the parties hereto, but nothing in this section shall be construed as a consent by Heiskell to any assignment of this lease.

19. **Partial Invalidity.** Should any provision of this lease be held by a court of competent jurisdiction to be either invalid, void, or unenforceable, the remaining provisions shall remain in full force and effect.

20. **Sole and Only Agreement.** This instrument constitutes the sole and only agreement between Heiskell and TRMC respecting the premises and correctly sets forth the obligations of Heiskell and TRMC to each other as of this date. Any agreement or representations respecting the premises or their leasing by Heiskell to TRMC not expressly set forth in this instrument are null and void.

21. **Time of Essence.** Time is expressly declared to be the essence of this lease.

22. **Hazardous Materials.** TRMC shall not use, store, generate, release or dispose of any hazardous material on the Premises or the property of which the Premises are part. However, TRMC is permitted to make use of such materials that are required to be used in the normal course of TRMC's business provided that TRMC complies with all applicable Laws related to the hazardous materials. TRMC is responsible for cost of removal and remediation, or any clean-up of any contamination caused by TRMC.

23. **Insurance.** TRMC's personal property, fixtures, equipment, inventory and vehicles are not insured by Helskell against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. TRMC is to carry TRMC's own property insurance to protect TRMC from any such loss. In addition, TRMC shall carry liability insurance in an amount of not less than \$1,000,000.00. TRMC's liability insurance shall name Helskell as additional insured. TRMC, upon Helskell's request, shall provide Helskell with a certificate of insurance establishing TRMC's compliance. Helskell shall maintain liability insurance insuring Helskell, but not TRMC, in an amount of at least \$1,000,000.00, plus property insurance in an amount sufficient to cover the replacement cost of the property. TRMC is advised to carry business interruption insurance in an amount at least sufficient to cover TRMC's complete rental obligation to Helskell. Both Helskell and TRMC release each other, and waive their respective rights to subrogation against each other, for loss or damage covered by insurance.

24. **Indemnification.** TRMC shall indemnify, defend and hold Helskell

Harmless from all claims, disputes, litigation, judgments and attorney fees arising out of TRMC's use of the Premises.

25. **Waiver.** The waiver of any breach shall not be constructed as a continuing waiver of the same breach of a waiver of any subsequent breach.

26. **Property Taxes.** Heiskell shall pay all property taxes and assessments levied upon or against the leased premises during the term hereof by the City of Tulare and the County of Tulare, including all taxes and assessments levied by school districts and other special districts appearing on the tax statements of the County of Tulare. TRMC shall timely pay all taxes and assessments on personal property belonging to TRMC located on the premises.



HEISKELL RANCHES, LP
By: Scot T. Hillman, General Partner

Tulare Local Health Care District
dba Tulare Regional Medical Center



By: Shawn Boloukl, CEO

EXTENSION OF LEASE

The undersigned Tulare Local Healthcare District d/b/a Tulare Regional Medical Center (TRMC), hereinafter referred to as ("Lessee") and Heiskell Ranches L.P., hereinafter referred to as ("Lessor"), hereby agree to extend the term of the March 1, 2011, Commercial Lease, hereinafter referred to as ("Lease"). The leased premises under the Lease was and shall continue to be the premises located at 880 E. Merritt, Suites 107, 108 and 109, Tulare, California. A copy of the Lease is attached hereto as Exhibit "A".

That Lease shall continue in full force and effect with the following modifications:

1. **Term:** The extended Lease term shall commence March 1, 2014 and terminate February 28, 2015.
2. **Rent:** The minimum rent under this Lease shall be the sum of \$4,550.00, per month, commencing March 1, 2014.
3. **Terms and Conditions of Lease:** Except as stated above, all the terms and conditions of the Lease shall continue to remain in full force and effect and shall be binding on both Lessor and Lessee.

LESSOR:

Dated: 3/20/2014

Scot Hillman
SCOT HILLMAN, General Partner,
Heiskell Ranches L.P.

LESSEE:

Dated: 3.5.14

Anthony Jones
TONY JONES, CEO/CRO,
Tulare Local Healthcare District
d/b/a Tulare Regional Medical
Center

THIRD EXTENSION OF LEASE

The undersigned Tulare Local Healthcare District, hereinafter referred to as ("Lessee") and Heiskell Ranches L.P., hereinafter referred to as ("Lessor"), hereby agree to extend the term of the March 1, 2011, Commercial Lease, hereinafter referred to as ("Lease"), as extended by the Extension of Lease, hereinafter referred to as ("Extension"), and the Second Extension of Lease, hereinafter referred to as ("Second Extension"). The leased premises under the Lease, Extension and Second Extension was and shall continue to be the premises located at 880 E. Merritt, Suites 107, 108 and 109, Tulare, California. A copy of the Lease, Extension, and Second Extension are attached hereto as Exhibit "1".

That Lease, Extension, and Second Extension shall continue in full force and effect with the following modifications:

1. **Term:** The extended Lease term shall commence March 1, 2017 and terminate February 28, 2019.
2. **Rent:** Commencing March 1, 2017, the minimum rent under this Lease, as extended, shall be the sum of \$4,827.48, per month, and continue until March 1, 2018, when the minimum rent shall be increased to \$4,924.03, per month.
3. **Terms and Conditions of Lease:** Except as stated above, all the terms and conditions of the Lease, Extension, and Second Extension shall continue to remain in full force and effect and shall be binding on both Lessor and Lessee.

LESSOR:

Dated: _____

SCOT HILLMAN, General Partner,
Heiskell Ranches L.P.

LESSEE:Dated: 2/9/17

Alan Germany
ALAN GERMANY, CFO,
Tulare Local Healthcare District